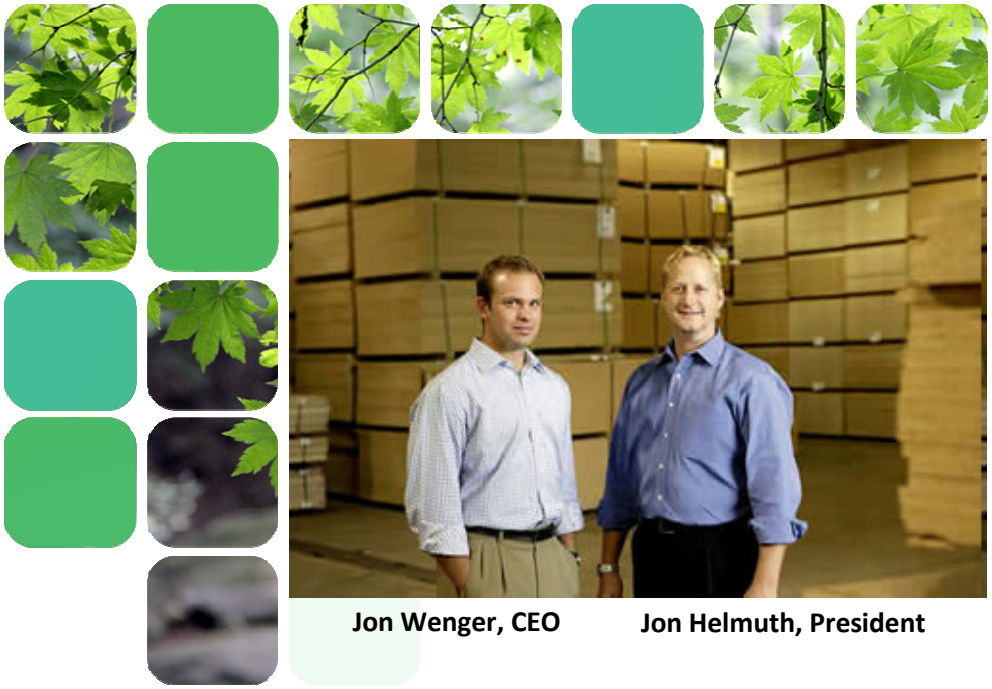
BEST PRACTICE TO SUSTAINABILITY

www.genesisproductsinc.com

Genesis Products history

- **Founded by the Jons in Aug 02**
- **1st product was 100% recycled panel – GenPly™**
- **In 2007 made the Inc. 500 as the 8th fastest growing factory in the U.S.**



Jon Wenger, CEO Jon Helmuth, President

2003- $5.7 MM

2004 - $21 MM

2005 - $34.6 MM

2006 - $53.7 MM

2007 - $59.9 MM

2008 - $55.4 MM

2009 - $36 MM

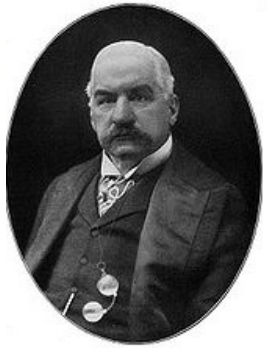
2010 - $41 MM

2011- $44 MM (proj.)

"A man generally has two reasons for doing a thing: one that sounds good, and a real one."

— J.P. Morgan

Financier and philanthropist



Waste Stream Management

Vinyl film scrap: PVC

- Sourced an overseas vendor to regrind and resell PVC
- Material is made into flooring products
- Reclaim 528,000 lbs / year

Waste Stream Management

Saw dust

- Negotiated with a local vendor
- Dust is reclaimed for animal bedding
- 16,040,000 lbs / year

Waste Stream Management

Metal banding

- Reclaimed into supply stream
- 520,000 lbs / year

Waste Stream Management

Cardboard packaging materials

- **Reclaimed into supply stream**
- **264,000 lbs / year**
- **Initiated returnable packaging system with vendors**

Waste Stream Management

Wood skids and pallets

- Ground into landscaping mulch
- 960,000 lbs / year

Waste Stream Management

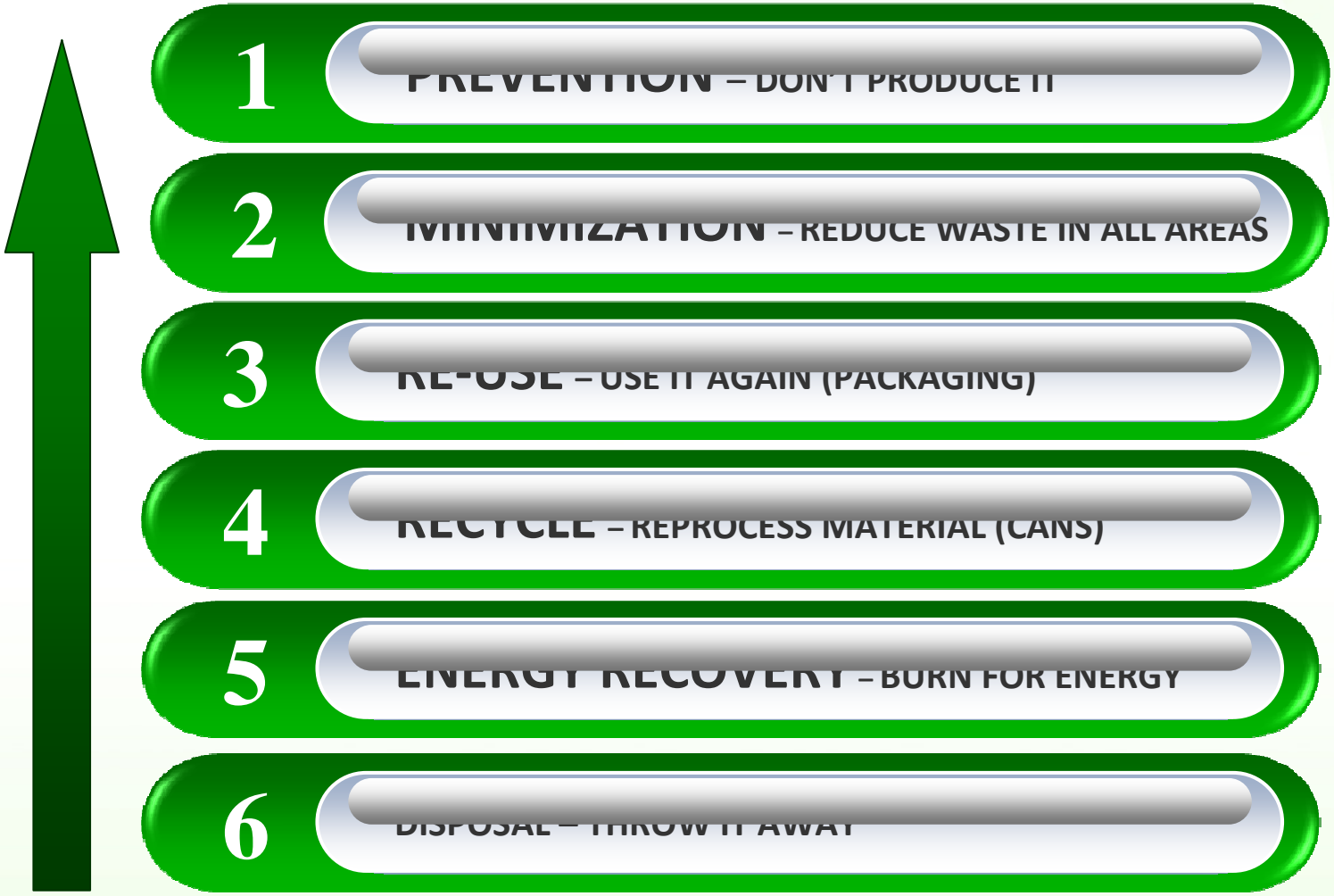
Office paper waste

- **Reclaimed into supply stream**
- **1440 lbs / year**

- 1 ream of copy paper (500 sheets) uses 6% of a tree
- 17 reams of copy paper use 1 tree
- A 16-page brochure (5,000 copies) uses almost 5 trees

Waste Hierarchy Model

Most preferred option



Least preferred option

Unfortunately, Recycling doesn't solve all issues…

Recycling can force products not designed for 2nd use into a downgraded 2nd life-cycle

- Virgin paper (*not well-suited for recycling*) > Recycled content paper > grocery bags > waste
- Plastic bottles (*recycled with dissimilar plastics*) > toys > waste
- Automotive high-tensile steel (*isn't separated*) > downgraded steel > common steel

Recycling puts materials in applications where the source material was never designed

- Plastic bottles > shirts = toxins leach into skin under heat and moisture
- Plastic bottles > carpet = toxins abrade into air and are inhaled

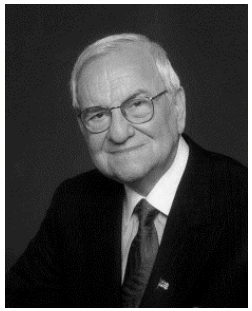
So now what?

"We've got to pause and ask ourselves:

How much clean air do we need?"

— Lee Iacocca, CEO

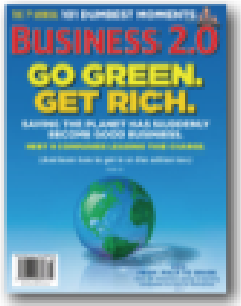
Chrysler, 1979-1992



Business seeing the Possibilities

Wal-Mart's Goals

- To be supplied 100 % by renewable energy
- To create zero waste
- To sell products that sustain our resources and environment



A Public Awakening…

Our Story & Why Sustainability?

- “Green” has been around for a number of years and has always been a value that Genesis has felt is a part of our culture
- We had not focused on how to truly integrate “Green” principles into Genesis
- With the beginning of the Sustainability Coalition and our conviction that Sustainability was a core value, we started to explore making Sustainability a more complete part of Genesis
- Basically, we decided that Sustainability is a *must* and anything else is destructive in the long term

Compelling Business Value

Potential Improvements by Bob Willard, *The Sustainability Advantage*

1. Reduced recruiting costs
2. Reduced attrition costs
3. Increased employee productivity
4. Reduced expenses in manufacturing
5. Reduced expenses at customer sites
6. Increased revenue - market share
7. Lower insurance & borrowing costs

…yielding a profit increase of +38%

Performance against peers

- Dow Jones sustainability Index:
  10 years of data
- **72%** outperformed industry peers
- By an average of **25%**...
- Regions that protect their environment outperform those **that do not.**

Goldman Sachs Report - July 5-6, 2009

What is Sustainability?

Meeting your current needs without compromising future generation's ability to meet theirs

Enough for all forever…

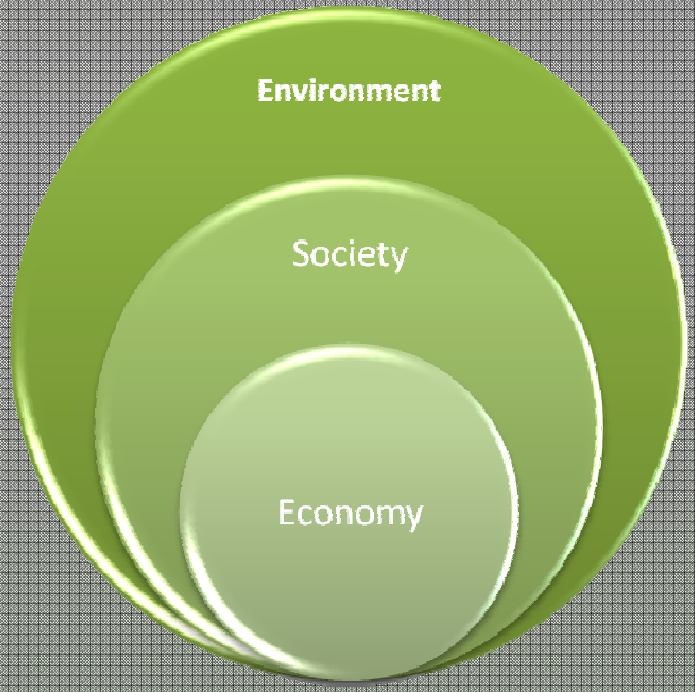
The Emerging Drivers

- Climate change
- Pollution/health
- Globalization backlash
- Energy crunch
- Water shortages
- Erosion of trust

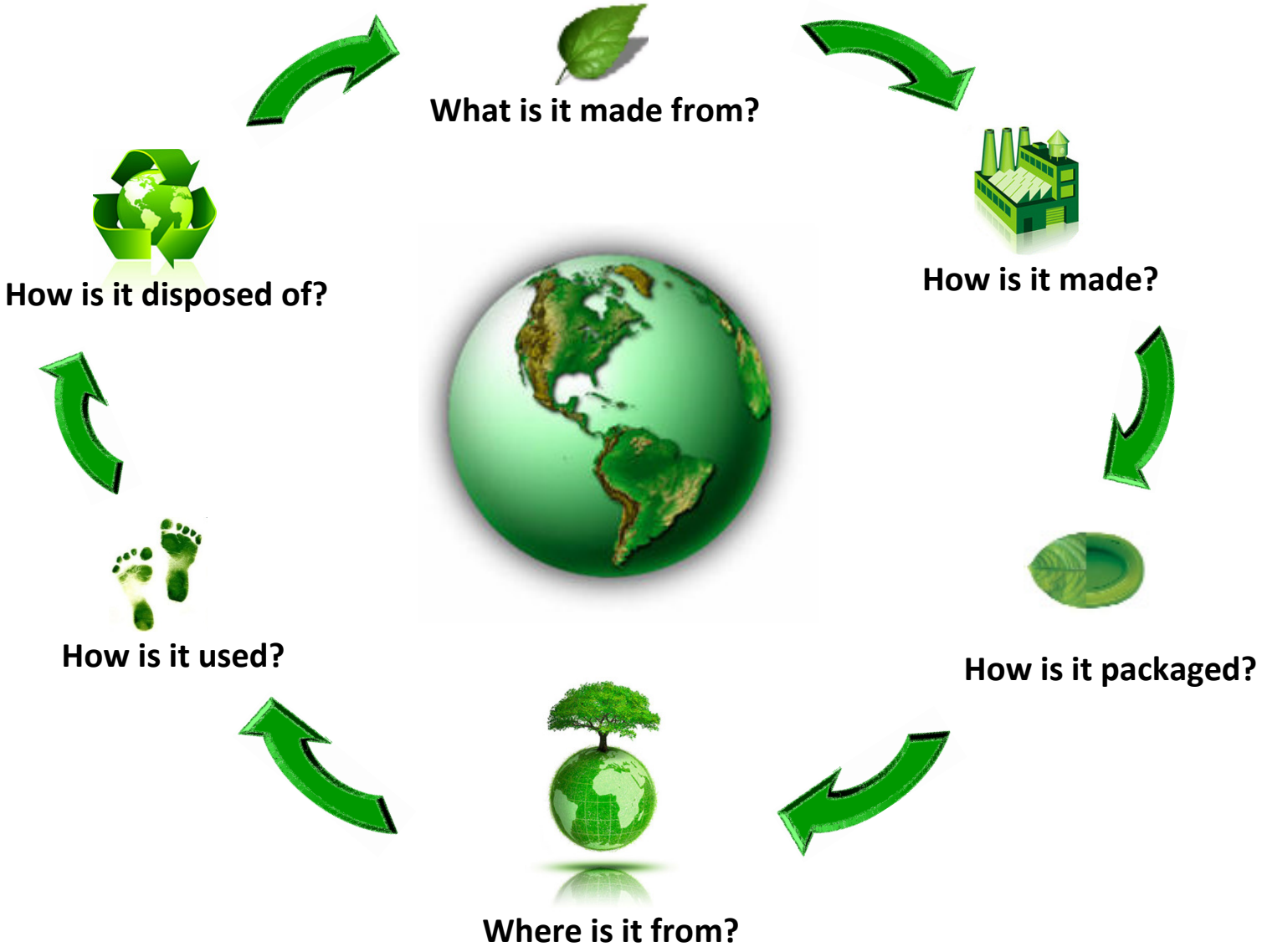
A Sustainability Model

It's really about bringing 3 elements into harmony

- **Environment**
- **Economy**
- **Society**



Life Cycle Assessment



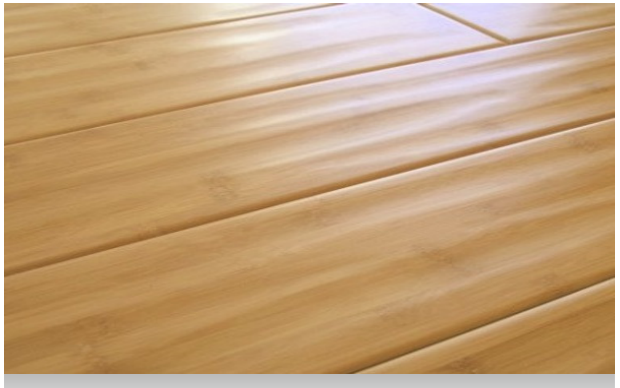
Green vs. **Sustainability**

Green

- Product and detail focused
- Tactical
- Ecological
- Focus on being less “bad”
- Lacks common definition of success

Sustainability

- Whole systems focus
- Strategic
- Triple bottom line
- Focus on aligning with:
  - Nature’s cyclical processes
  - Capable of defining success



Bamboo Flooring

Oak Flooring

Many shades of Green

The Green certification space is cluttered

What It Is Not..? Greenwashing

Our Commitment…

- **We are members of The Sustainability Coalition for Elkhart County**
  - 14 businesses building sustainability plans over one year period
  - Promoting a common understanding of sustainability
  - Framework for applying sustainability principles in member organizations
  - Members work collaboratively to develop and give feedback on plans

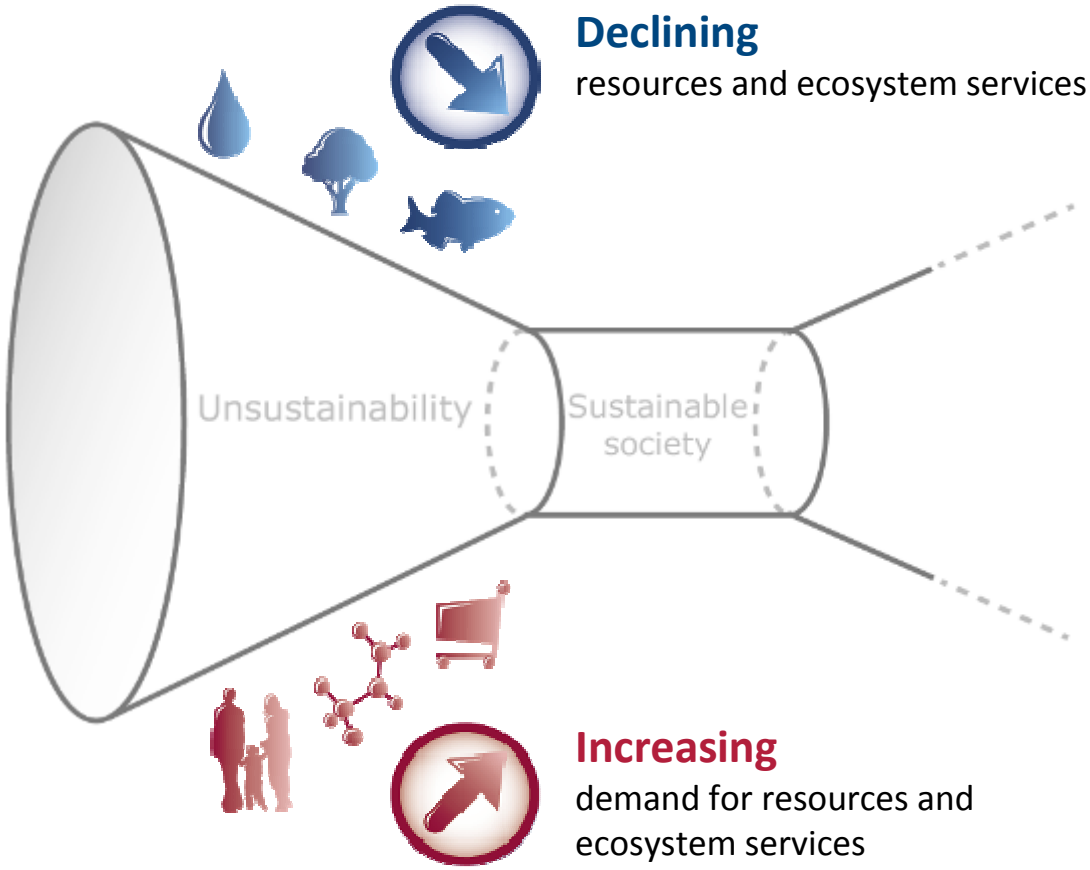
Education – Collaboration - Innovation

The Sustainability Framework

- ✓ Systems Thinking
- ✓ Science based
- ✓ Life Cycle Analysis
- ✓ Strategic Survival
- ✓ Partnership
- ✓ A Plan
- ✓ Proven Triple Bottom Line Results

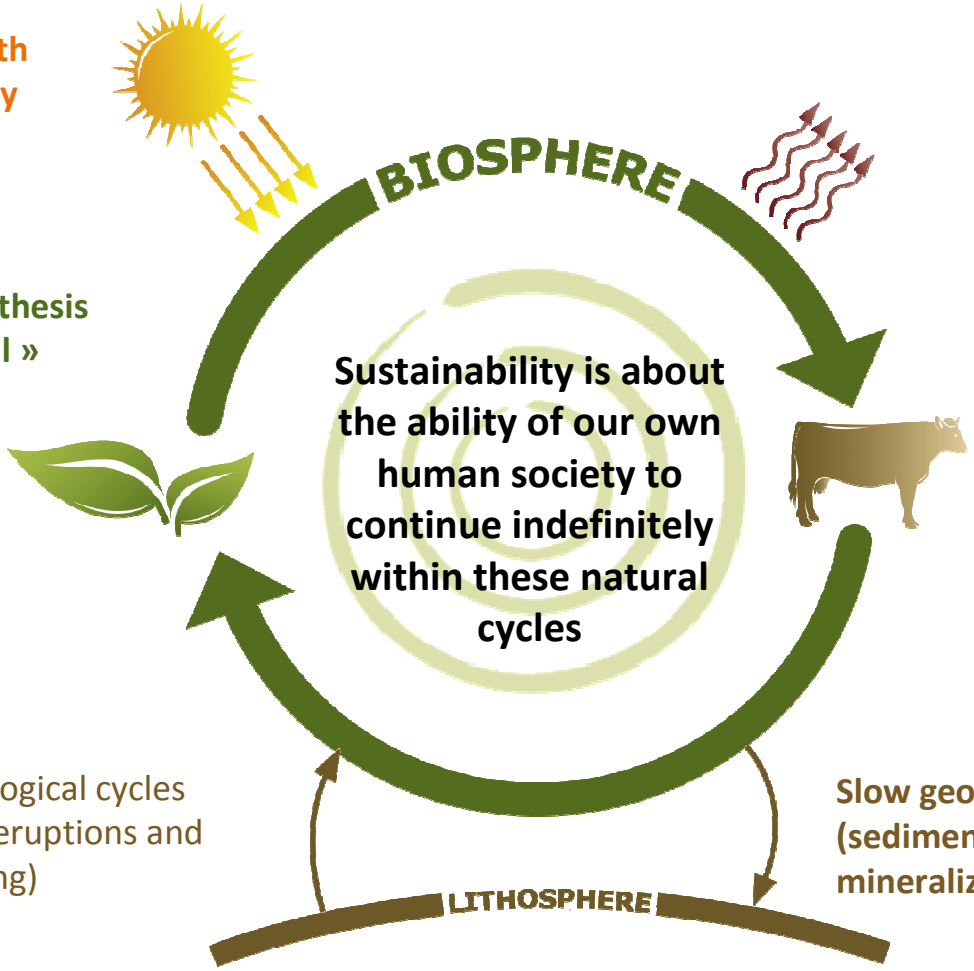
Who is using TNS for Sustainability Planning?

Metaphor of the funnel



Cycles of nature

Open system with respect to energy



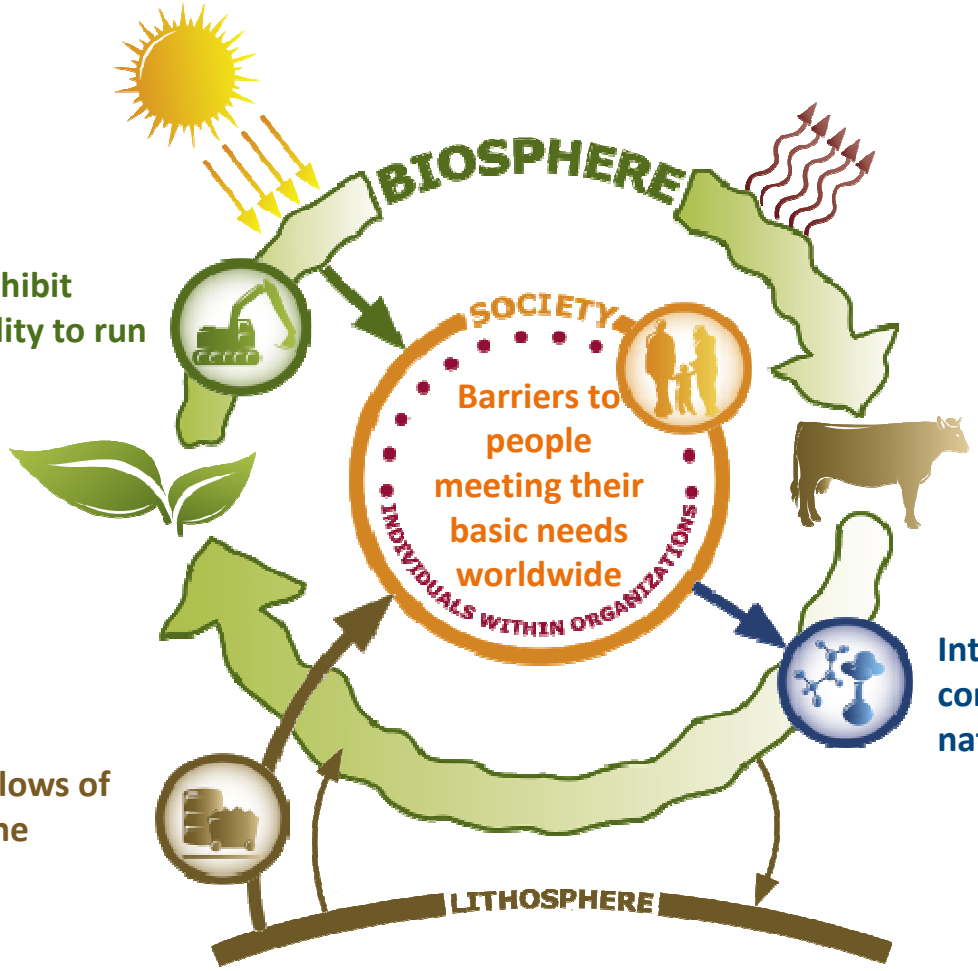
« Photosynthesis pays the bill »

Closed system with respect to matter
1) Nothing disappears
2) Everything disperses

Slow geological cycles (volcano eruptions and weathering)

Slow geological cycles (sedimentation and mineralization)

How Humans Influence Cycles



Physically inhibit nature's ability to run cycles

Introduce persistent compounds foreign to nature

Relatively large flows of materials from the Earth's crust

The Best Example

4 System Conditions

In a Sustainable society, nature is not subject to systematically increasing...

1  **...concentrations of substances extracted from the Earth's crust,**

2  **...concentrations of substances produced by society,**

3  **...degradation by physical means,**

and, in that society...

4  **...people are not subject to conditions that systematically undermine their capacity to meet their needs.**

Impacts from Our Industry

	The Systems Condition	The Violation	The Source	The Impact
1	 **Extraction from the Earth's crust**	- Sales Driving Miles - International Ocean Freight and US Ground Freight for Materials - Heavy use of landfill waste - Coal based electricity - Propane in Forklifts	Oil Coal Mining	Reducing supply & increasing pollution
2	 **Inescapable man-made substances**	- PVC Films / Panels, composite panels - Solvents in cleaning supplies - Isocyanates in glue	Toxic chemicals	Can be harmful to your health
3	 **Degradation**	- Use of Wood that is not sustainably forested, card board packaging from Vendors, office paper	Loss of Forest	Fewer ecosystems CO2 Erosion
4	 **Interfering with societal needs**	- Lack of Controls for work life balance - Room for Safety Improvements - Dust in air for workers - Long work shifts	Customer & Performance demand	More stress, less performance, less happy lives

Key Sustainability Challenges we have identified and will focus on first

3  • Non-Sustainably forested plywood

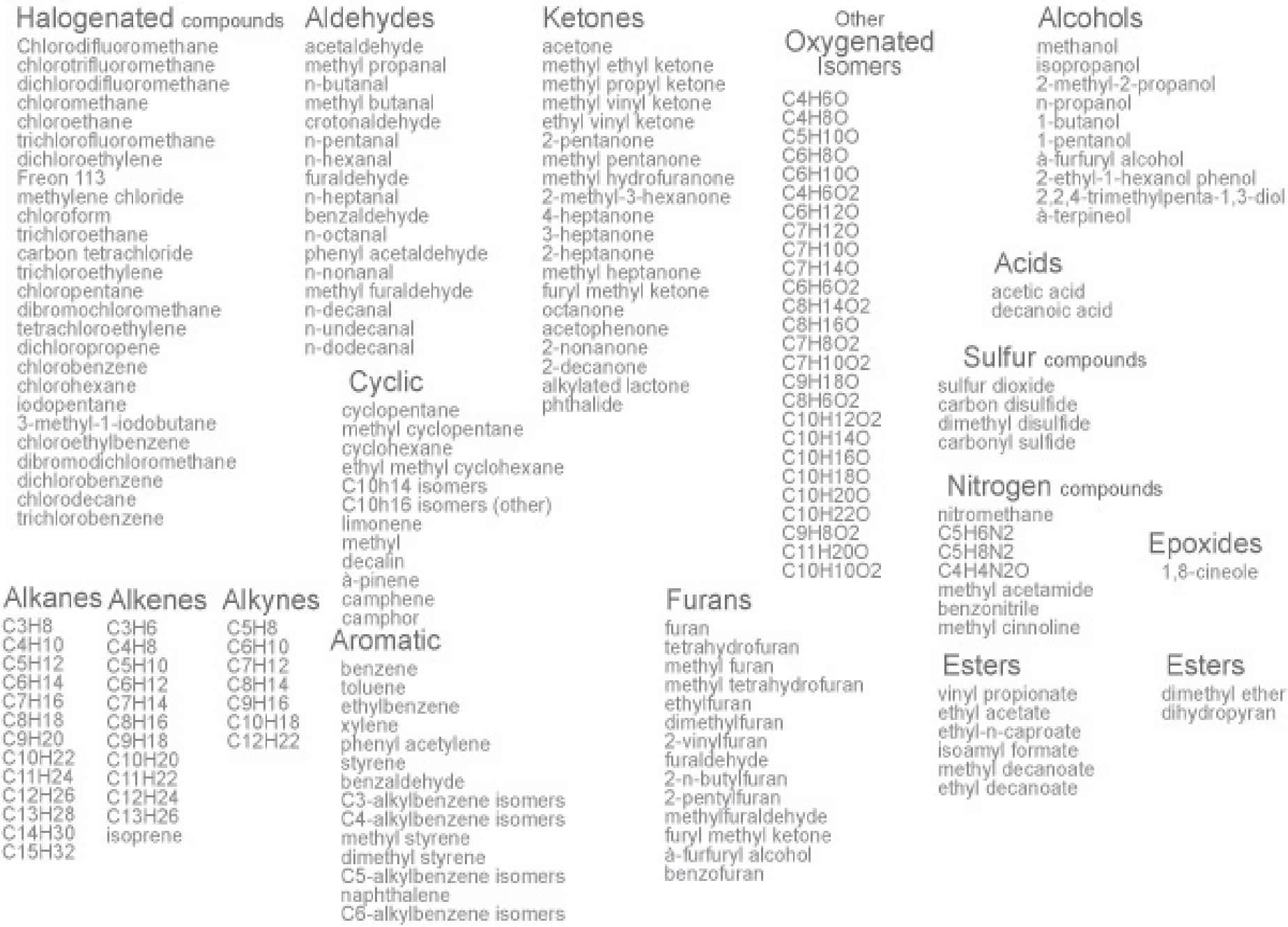
1  • Plant Electricity Usage - Coal Based

1  • Use of landfills - need more analysis

2  • PVC Films

Our Strategic Goals

Strategic Goals	Possible Measures
Get to zero landfill	Tons / Mth of landfill waste
Have all products be made from sustainable materials	Identification of non-sustainable materials. $/Mth of purchases of those materials
Obtain all energy from renewable or independent resources	Energy Audit. Mthly Electric & Gas purchases
Have each employee progressing in career and life	Happiness surveys & career tracking
To continually reduce fuel cost for all activities associated with Genesis	Setup monthly fuel tracking matrix
To have every employee involved in community education / development	Employee hrs, Employee %, Company $

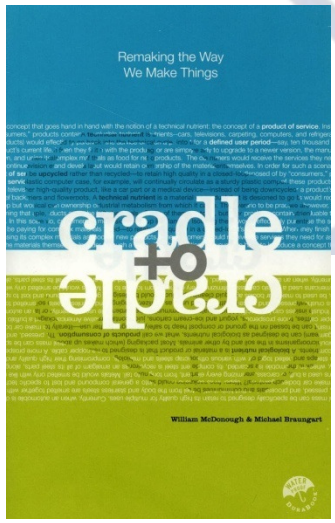

Halogenated compounds
Chlorodifluoromethane
chlorotrifluoromethane
dichlorodifluoromethane
chloromethane
chloroethane
trichlorofluoromethane
dichloroethylene
Freon 113
methylene chloride
chloroform
trichloroethane
carbon tetrachloride
trichloroethylene
chloropentane
dibromochloromethane
tetrachloroethylene
dichloropropene
chlorobenzene
chlorohexane
iodopentane
3-methyl-1-iodobutane
chloroethylbenzene
dibromodichloromethane
dichlorobenzene
chlorodecane
trichlorobenzene
Aldehydes
acetaldehyde
methyl propanal
n-butanal
methyl butanal
crotonaldehyde
n-pentanal
n-hexanal
furaldehyde
n-heptanal
benzaldehyde
n-octanal
phenyl acetaldehyde
n-nonanal
methyl furaldehyde
n-decanal
n-undecanal
n-dodecanal
Ketones
acetone
methyl ethyl ketone
methyl propyl ketone
methyl vinyl ketone
ethyl vinyl ketone
2-pentanone
methyl pentanone
methyl hydrofuranone
2-methyl-3-hexanone
4-heptanone
3-heptanone
2-heptanone
methyl heptanone
furyl methyl ketone
octanone
acetophenone
2-nonanone
2-decanone
alkylated lactone
phthalide
Other Oxygenated Isomers
C4H6O
C4H8O
C5H10O
C6H8O
C6H10O
C4H6O2
C6H12O
C7H12O
C7H10O
C7H14O
C6H6O2
C8H14O2
C8H16O
C7H8O2
C7H10O2
C9H18O
C8H6O2
C10H12O2
C10H14O
C10H16O
C10H18O
C10H20O
C10H22O
C9H8O2
C11H20O
C10H10O2
Alcohols
methanol
isopropanol
2-methyl-2-propanol
n-propanol
1-butanol
1-pentanol
à-furfuryl alcohol
2-ethyl-1-hexanol phenol
2,2,4-trimethylpenta-1,3-diol
à-terpineol
Acids
acetic acid
decanoic acid
Sulfur compounds
sulfur dioxide
carbon disulfide
dimethyl disulfide
carbonyl sulfide
Nitrogen compounds
nitromethane
C5H6N2
C5H8N2
C4H4N2O
methyl acetamide
benzonitrile
methyl cinnoline
Epoxides
1,8-cineole
Esters
vinyl propionate
ethyl acetate
ethyl-n-caproate
isoamyl formate
methyl decanoate
ethyl decanoate
Esters
dimethyl ether
dihydropyran
Alkanes
C3H8
C4H10
C5H12
C6H14
C7H16
C8H18
C9H20
C10H22
C11H24
C12H26
C13H28
C14H30
C15H32
Alkenes
C3H6
C4H8
C5H10
C6H12
C7H14
C8H16
C9H18
C10H20
C11H22
C12H24
C13H26
isoprene
Alkynes
C5H8
C6H10
C7H12
C8H14
C9H16
C10H18
C12H22
Cyclic
cyclopentane
methyl cyclopentane
cyclohexane
ethyl methyl cyclohexane
C10h14 isomers
C10h16 isomers (other)
limonene
methyl
decalin
à-pinene
camphene
camphor
Aromatic
benzene
toluene
ethylbenzene
xylene
phenyl acetylene
styrene
benzaldehyde
C3-alkylbenzene isomers
C4-alkylbenzene isomers
methyl styrene
dimethyl styrene
C5-alkylbenzene isomers
naphthalene
C6-alkylbenzene isomers
Furans
furan
tetrahydrofuran
methyl furan
methyl tetrahydrofuran
ethylfuran
dimethylfuran
2-vinylfuran
furaldehyde
2-n-butylfuran
2-pentylfuran
methylfuraldehyde
furyl methyl ketone
à-furfuryl alcohol
benzofuran

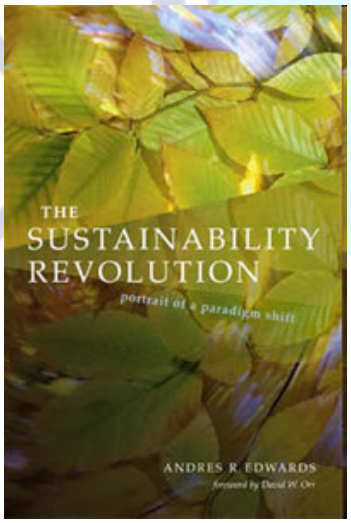
What's in a Vision?

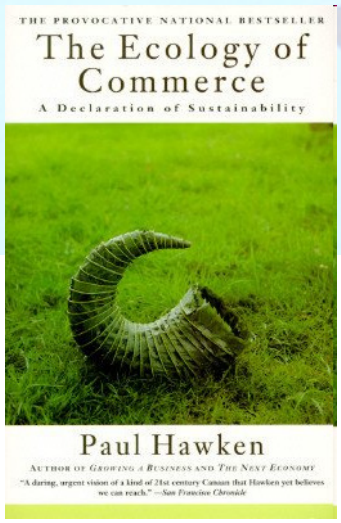
- **Where** do we want to go?
- **What** do we want to achieve?
- **When** do we need to get there?

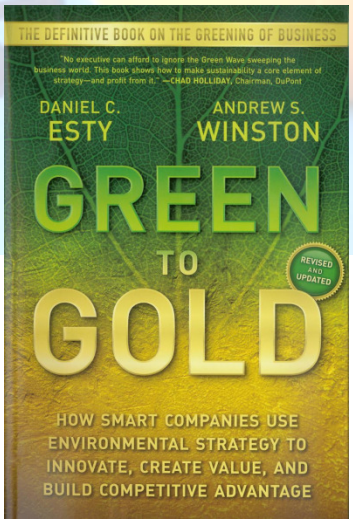
How to get started…

- Join us on the journey to a more Sustainable future
- You can start where you are. All that is required is:
  - A common framework for approaching the problem
  - A common language
  - Shared understanding
  - Tools to help us find solutions and measure your progress









So…What are we asking?

- Join (or create) a group like **The Sustainability Coalition**
- Go through Sustainability training i.e. **The Natural Step**
- Establish your organization's vision for Sustainability
- Identify and develop projects to implement

What will they say about us in 25 years…?

RV Buddies 2009/2010

More Brownfields?

Purpose, Passion, Vision & Strategy will Determine the Future

SUSTAINABILITY

COALITION

EDUCATION. COLLABORATION. INNOVATION.

www.thesustainabilitycoalition.com

thank you

Q & A time

www.genesisproductsinc.com